

# FAQ: Argus B24 dob Guangzhou marine biodiesel spot price

## Argus has launched the first marine biodiesel spot price for China — B24 dob Guangzhou — adding to existing coverage for Asia, including B24 dob Singapore.

B24 dob Guangzhou is assessed daily on a delivered-on-board (dob) basis for blends comprising 24pc used cooking oil methyl ester (Ucome) and 76pc very-low sulphur fuel oil (VLSFO).

## Why is Argus publishing this price?

B24 dob Guangzhou encompasses volumes sold on a spot basis from bonded tanks at the port of Guangzhou.

Because of domestic blending complications, B24 is blended in Hong Kong or Singapore and reimported to Guangzhou for bunkering.

This price allows shipowners and bunker suppliers to monitor marine biodiesel price development in China and track and compare it with prices for B24 dob Singapore, B24 dob Algeiras-Gibraltar and B30 dob Amsterdam-Rotterdam-Antwerp (ARA).

## Why is B24 dob Guangzhou a useful price?

Demand for B24 in China is rising as shipowners look to bunker lower-carbon marine fuels to meet customer demand or improve carbon intensity indicator (CII) ratings under IMO regulations.

For shipowners with vessels operating between Asia and Europe, B24 can be used to reduce EU emissions trading system (ETS) costs or to meet FuelEU Maritime greenhouse gas (GHG) reduction targets from 2025. Shipowners, domestic producers and bunker suppliers can use this price to understand the profitability of blending B24 or the cost-benefit of bunkering it compared with Singapore or other regions.

## How is the marine biodiesel market developing in China?

China is the leading exporter of Ucome, the primary biodiesel that is blended with conventional marine fuels in Europe and Singapore.

Ready availability of Ucome and VLSFO puts China in a strong position to supply the marine sector with B24 blends at competitive prices. Chinese producers, suppliers and shipowners are looking to develop this market as demand from international shipowners rises.

## Can you explain the domestic blending complications?

There is currently no HS (harmonized system) code for B24 in China. An HS code is a numerical method of classifying commodities, allowing countries to identify products when determining customs tariffs and for gathering statistics.

VLSFO is currently classified under an oil product HS code while Ucome comes under a chemicals code. The Chinese government only allows the blending of products that belong to the same HS code, and it is prohibited to blend products that come under two different codes. Because the B24 blend has no HS code, the tax attributed to it is not yet fixed and is unclear.

## How are Chinese suppliers offering B24 in the absence of an HS code?

Suppliers are exporting VLSFO and Ucome to Hong Kong to blend into B24 and then reimporting the blend to bonded tanks at Guangzhou. From bonded tanks, there is no tax implication for barges loading to supply domestic or international-going vessels. Blending in bonded tanks is prohibited, preventing blending at Chinese ports.

China's government, in response to market demand, is working on an HS code for B24 and how it should be taxed. A B24 HS code would boost domestic blending and availability of exports to the domestic and international bunker markets.

## Why price at Guangzhou and not other Chinese ports?

Availability of B24 is concentrated at Guangzhou because of the shorter voyages and associated cost of exporting Ucome to Hong Kong and reimporting the B24 blend for sale from bonded tanks.

Global marine biodiesel demand to date has been mostly driven by containership owners. Guangzhou was ranked the eighth-busiest containership port globally last year, while Singapore took second place. Containership operators that call at both Guangzhou and Singapore could choose to fuel at Guangzhou if the price is more competitive.

## How will marine biodiesel sales from China affect the Singapore market?

As China is a net exporter of VLSFO and Ucome, it is possible that B24 dob Guangzhou will trade at a discount to B24 dob Singapore. Once the Chinese government attributes an HS

code to B24, blending is expected to grow in line with rising demand. Argus publication of B24 prices at these two key ports will allow clients to determine price competitiveness over time.

### Methodology: B24 marine Ucome dob Guangzhou

B24 marine biodiesel and VLSFO blend meeting ISO 8217

Used cooking oil methyl ester meeting EN14214 (24pc) and 0.5%S 380cst fuel oil (76pc)

- **Currency/unit:** US dollars/tonne
- **Timing:** delivery 4-15 days forward of the day of assessment
- **Location:** dob Guangzhou
- **Size:** 300-3,000t
- **Certification:** biodiesel must be accompanied by ISCC or similar certification
- **Assessment time:** 7pm Singapore time

B24 dob Guangzhou is published daily in the Argus Marine Fuels and Argus Biofuels reports.

### How can these prices be used?

- **Contracts:** Companies can use this price in term contracts, spot contracts and in contract negotiations with bunker suppliers. The price can also be used for internal transfer within organisations.
- **Optimisation:** Shipowners can use this price to determine the cost benefit of bunkering B24 at Guangzhou compared with Singapore or European ports. It can be used to determine the cost of bunkering marine biodiesel to improve a vessel's CII score, reduce EU ETS costs or meet FuelEU Maritime requirements. Refiners, traders and

bunker suppliers selling marine biodiesel can identify shortages/oversupply to manage production and maximise profits and margins.

- **Risk management:** Companies buying Ucome and VLSFO for blending can use this independent index for mark-to-market valuations.
- **Analysis:** Marine biodiesel prices can be used to monitor the evolving premium to conventional bunkers and as an input to price forecasts. This price can also be compared with Argus marine biodiesel prices in Singapore, Europe and North America to determine competitiveness.



### For more information

This price is published on the [Argus Marine Fuels](#) and [Argus Biofuels](#), markets reports.

For general queries and to talk to one of our experts, please contact [oil-products@argusmedia.com](mailto:oil-products@argusmedia.com)

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